

SUMMARY

This summary aims to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [REDACTED] in our H Shares. In particular, we are a Commercial Company seeking to [REDACTED] on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with [REDACTED] in companies such as ours. In addition, we have incurred net losses since our inception, and we may incur net losses for the foreseeable future. We had negative net cash flow from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your [REDACTED] decision should be made in light of these considerations.

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in our H Shares are set out in the section headed “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in our H Shares.

OVERVIEW

Who Are We?

We are a leading AI infrastructure software provider in China. Through deep integration of AI, big data, and cloud technologies, we enable enterprises to efficiently build AI infrastructure software that drives intelligent transformation and business model innovation across industries. In today’s environment, marked by exponential data growth, mounting risks of technological bottlenecks, and urgent demand for enterprise-level digital and intelligent upgrades, building secure, high-performance, domestically developed AI and data infrastructure software has become a strategic imperative at the national, industrial, and enterprise levels. Our Company was founded to meet this demand and to establish a secure, self-reliant data infrastructure supporting technological innovation.

According to Frost & Sullivan:

- In terms of revenue, we were the fifth largest AI infrastructure software provider in China with a market share of 2.8% in 2024, and also the largest pure-play provider in the market.
- We were the world’s first database company to pass TPC-DS testing and official audit, demonstrating that our distributed architecture-based foundational software has reached an industry-leading level in large-scale data computation and analytics.
- We were the first Chinese company to be included in Gartner’s Magic Quadrant for Data Warehouse and Data Management Solutions, indicating that our forerunning position is recognized by internationally reputable organizations.

We are one of the earliest companies in China to focus on the development of AI and big data infrastructure software, and we have established significant first-mover advantages and deep technical capabilities. We provide enterprise-grade AI infrastructure software and services that cover the full data lifecycle, from integration, storage, and governance to modeling, analytics, mining, and circulation. Through years of in-house R&D, we have built a new-generation AI infrastructure software matrix comprising our big data and cloud foundation platforms (TDH and TDC), distributed databases (ArgoDB and KunDB), data development and governance tools (TDS), AI platforms for LLM and machine learning operations (LLMOps and MLOps), and a knowledge platform (TKH). Together, these products deliver end-to-end solutions from data to knowledge and from model to application, helping enterprises across industries accelerate intelligent transformation and rebuild their competitive advantages.

As of December 31, 2025, our products and solutions had been deployed across more than ten industries, including finance, government, energy, healthcare, transportation, and manufacturing, serving over 1,800 customers, including around 110 companies listed in the Fortune China 500. From 2023 to 2025, revenue from repeat purchases by existing customers accounted for an average of over 70% of our total revenue, reflecting the loyalty and stickiness of our customer base.

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Leveraging the vast growth potential of global AI infrastructure software market, we intend to actively expand our presence in overseas markets. Our software products are mostly standardized and can be deployed across a wide range of industries and geographies, enabling us to address diverse customer needs globally. We have established subsidiaries in Hong Kong, Singapore and Canada to serve as strategic hubs for our international operations. Benefiting from our technological advantages and growing brand recognition, we have successfully sold products, such as TDH, TKH and Sophon, to customers in Singapore and the Middle East, and are currently conducting testing for multiple other products that are ready to be implemented in various jurisdictions. We believe these initiatives will enable us to capture new market opportunities, diversify our revenue sources and enhance our competitiveness in the global AI infrastructure software market.

COMPETITIVE STRENGTHS

- A market leader in China’s AI infrastructure software sector
- Robust in-house R&D and technical leadership driving domestic substitution
- Comprehensive product portfolio and full-lifecycle service capabilities enabling end-to-end AI and data transformation
- Diverse, loyal customer base with broad industry penetration and strong replicability
- Vibrant ecosystem enabling scalable growth and long-term sustainability
- Visionary and deeply experienced management team

See “Business — Competitive Strengths.”

DEVELOPMENT STRATEGIES

- Drive full-stack technology upgrades through “AI × data” to strengthen our leadership in AI infrastructure software market
- Expand and enrich product and solution offerings to drive market share growth
- Expand customer base, deepen strategic partnerships, and strengthen market presence
- Expand global footprint and increase international market penetration
- Pursue selective strategic investments and acquisitions to strengthen market position

See “Business — Development Strategies.”

OUR BUSINESS LINES AND BUSINESS MODEL

We operate a product-centric business model centered on the commercialization of our proprietary, self-developed software platforms. Our business is structured into three primary business lines: (i) AI and big data infrastructure software business, (ii) solution business, and (iii) other business.

AI and Big Data Infrastructure Software Business

Our AI and big data infrastructure software business comprises three sub-segments: infrastructure software, infrastructure software and related technical services, and technical services, all of which are built on our proprietary technology stack and serve as the foundation of our customers’ data and AI platforms.

Products and Services

Our infrastructure software consists of proprietary software products that support enterprise-grade data storage, management, analytics and AI workloads. These products are primarily standardized and require only limited customization, which generally involves user-interface adjustments or integration with a customer’s existing database environment, such as connecting to legacy database versions that require tailored configuration.

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Our infrastructure software and related technical services sub-segment involves customers purchasing our proprietary software together with related technical services. The technical services provided under this sub-segment are the same as those provided under the “technical services” sub-segment described below.

Our technical services consist of: (i) maintenance services, which include software upgrades, bug fixes, remote technical support and other ongoing maintenance; and (ii) other technical services, which include deployment, configuration, integration, advanced consulting and troubleshooting. All technical services are tied to our proprietary software products.

Deployment Period

The deployment period varies depending on project complexity and customer requirements. Standardized software deployments typically require about one week, while integrated projects involving both software and technical services may require several weeks to several months.

Charging Model

We generate revenue through (i) a one-time perpetual license for infrastructure software; (ii) a combination of software license fees and service fees for infrastructure software and related technical services; and (iii) service fees for technical services, which consist of recurring fees for maintenance services and project-based fees for other technical services.

Solution Business

Services

Our solution business comprises pre-project consulting and customized solution design services that assist enterprise and government customers in planning and architecting digital transformation and AI adoption initiatives. These engagements focus on the planning and design of data platforms, business intelligence frameworks and related technical blueprints, and do not involve the delivery of our proprietary software products. Solution projects play an important role in initiating customer relationships and driving subsequent software demand. During the Track Record Period, approximately 60% of our solution business customers later procured our software products, and around 20% of customers in our AI and big data infrastructure software business were converted from prior solution engagements.

Deployment Period

Solution projects generally require a deployment period of three to six months, depending on the project’s complexity, scope and the level of customization involved. For certain large-scale or highly complex engagements, the deployment period may extend up to one year.

Charging Model

Solution services are provided on a project-based charging model. Fees are determined by the scope of consulting and design work, the technical complexity of the engagement and the professional resources assigned to the project.

See “Business — Our Business Lines and Business Model.”

The following table sets forth revenue breakdown by our business lines during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
AI and big data infrastructure software business . . .	390,041	79.5	284,180	76.7	362,022	81.0
Solution business	79,091	16.1	72,759	19.6	69,559	15.6
Other business ⁽¹⁾	21,401	4.4	13,816	3.7	15,488	3.4
Total	<u>490,533</u>	<u>100.0</u>	<u>370,755</u>	<u>100.0</u>	<u>447,069</u>	<u>100.0</u>

Note:

(1) Our other business primarily consists of the ancillary optimization and sale of third-party hardware and software products in connection with the delivery of our core AI and big data infrastructure solutions.

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OUR PRODUCTS AND SERVICES

AI and Big Data Infrastructure Software

To serve diverse digital transformation needs across industries, we offer a suite of proprietary AI and big data infrastructure software products. Based on their core performance characteristics and primary functions, our infrastructure software products can be broadly grouped into the following three categories:

- **Big Data and Cloud Infrastructure Platform Software**

This category provides the foundational layer for enterprise-scale data storage, processing and computing resource orchestration across different IT environments. Products in this category are designed to support large-scale data integration, unified management of computing resources and cloud-based deployment. This category includes Transwarp Data Hub (TDH) and Transwarp Data Cloud (TDC), which together enable enterprises to manage massive volumes of data and computing resources in a centralized, scalable and efficient manner.

- **Distributed Database Software**

This category focuses on enterprise-grade data storage and processing for both analytical and transactional workloads. Products in this category are designed to support high-performance data access, reliability and scalability in mission-critical business systems. This category includes Transwarp ArgoDB (ArgoDB) and Transwarp KunDB (KunDB), which address different enterprise use cases ranging from large-scale analytical processing to high-concurrency, low-latency transactional applications.

- **Data Development and AI Analytics Tools**

This category provides platforms and tools that enable enterprises to develop, manage and analyze data assets and AI applications on top of their data infrastructure. Products in this category support data development, governance, intelligent analytics, model operations and knowledge-based applications. This category includes Transwarp Data Studio (TDS), Sophon and Transwarp Knowledge Hub (TKH), which help enterprises transform data into actionable insights and intelligent applications.

Our AI and big data infrastructure software forms the core technology foundation that enables our customers’ digitalization and intelligent transformation. At the base of the overall technology stack is the AI infrastructure hardware layer, which provides the essential computing power through GPUs, CPUs, high-speed networking and storage equipment. Built on top of this hardware layer, our AI infrastructure software orchestrates and manages underlying computing resources to enable elastic allocation of computing capacity; unifies the collection, storage, management and development of data from diverse sources and formats, transforming raw data into structured, semi-structured data for use across business scenarios; and provides model-development tools that reduce the complexity of deploying AI models and building AI applications. On the top layer, customers and ISVs develop domain-specific applications and solutions, such as predictive maintenance, intelligent risk control, digital operations and smart manufacturing, by leveraging the stable, scalable and AI-ready capabilities offered by our infrastructure software. We only provide the foundational software tools that support such development and do not participate in, or have visibility into, how customers’ developers design or implement their specific applications, functionalities or business workflows. Together, this three-layer structure positions our product family as a foundational platform supporting the full lifecycle of data- and AI-driven innovation.

During the Track Record Period, TDH, ArgoDB and TDS accounted for the majority of our infrastructure software revenue, and therefore represent the core products driving our AI and big data infrastructure software business.

Technical Services

We provide technical services that are directly tied to, and support the effective use of, our proprietary AI and big data infrastructure software. These services fall into two main categories. First, we offer maintenance services, which include software upgrades, bug fixes and remote technical support, and are typically provided on a recurring basis following software deployment. Second, we provide other technical services on a project basis, such as deployment, configuration, system integration, advanced consulting and troubleshooting, to support customers during implementation and optimization stages.

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All technical services are delivered in connection with our proprietary software products, and are designed to ensure stable operation, performance optimization and compliance with customers’ operational and security requirements. Depending on customer needs and internal IT capabilities, these services may be provided together with software licenses or on a standalone basis following initial deployment. Through these services, we support customers across the software lifecycle, from initial implementation to ongoing operation and maintenance, particularly for enterprise and government customers operating mission-critical systems.

Solution Business

Our solution business primarily comprises consulting and customized solution design services that assist enterprise and government customers in planning and architecting their digital transformation and AI adoption initiatives. These services are typically provided at the pre-project or early implementation stage and focus on the design of data platform architectures and business intelligence frameworks, drawing on our domain expertise and understanding of industry-specific requirements. Solution services do not involve the delivery of standalone software products; instead, they are designed to help customers define technical roadmaps, system architectures and implementation approaches for data and AI initiatives.

Our solution business also serves as an important channel for driving demand for our proprietary AI and big data infrastructure software, including TDH, TDC, ArgoDB, KunDB, TDS, Sophon and TKH. Through solution engagements, we work closely with customers to identify suitable application scenarios and infrastructure requirements, which often leads to subsequent software adoption. During the Track Record Period, a significant portion of our solution business customers subsequently purchased our infrastructure software products and became customers under our AI and big data infrastructure software business, while a meaningful number of our infrastructure software customers were initially acquired through solution projects. As such, the solution business plays a complementary and strategic role in expanding our customer base and supporting long-term software commercialization.

See “Business — Our Products and Services.”

OUR CORE TECHNOLOGIES

Our core technologies comprise seven foundational areas: (i) container-based data cloud technology, (ii) distributed computing technology, (iii) unified multi-model data processing technology, (iv) distributed database technology, (v) AI and machine learning operation technology, (vi) knowledge engineering and knowledge graph technology, (vii) big data development technology, which together form the technical foundation of our platform. These technologies are structured into a two-layer architecture, as illustrated in the following diagram.

- At the IaaS layer, we leverage container-based data cloud technology to enable flexible and efficient resource scheduling and orchestration.
- The PaaS layer incorporates a broad set of platform-level capabilities, including distributed computing technology, unified multi-model data processing technology, distributed database technology, and AI and machine learning operation technology, providing scalable infrastructure for data integration, processing, and AI model lifecycle management. The PaaS layer also includes our knowledge engineering and knowledge graph technology — which together enable semantic modeling and intelligent reasoning — and big data development technology, which supports rapid development, deployment, and iteration of data-driven applications.

This layered architecture ensures architectural consistency across our products and allows us to deliver a high degree of flexibility, scalability, and intelligence in supporting enterprise digital transformation and AI adoption.

See “Business — Our Core Technologies.”

COMPETITIVE LANDSCAPE

We face competition in China’s AI infrastructure software market. The principal competitive factors in our industry include functionality, scope and performance of products and solutions, scalability and reliability of services, technology capabilities, marketing and sales capabilities, user experience, pricing, brand recognition and reputation. In addition, new and enhanced technology may further increase competition in our industry. We believe that we are well positioned to compete effectively on the basis of the foregoing factors as we have formulated clear and actionable business

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strategies with the goal of achieving comprehensive technology upgrades, product expansion, and global deployment, thus driving our revenue growth and progressively narrowing our net loss. For details, see “Business — Development Strategies” and “Business — Path to Profitability.”

For more information on the competitive landscape of our industry, see “Industry Overview.”

RESEARCH AND DEVELOPMENT

We place innovation and independent research and development (“R&D”) at the core of our long-term strategy and technological competitiveness. As of December 31, 2025, we had over 890 employees, of whom over one third were engaged in R&D roles. Among our R&D personnel, near 60% held doctoral or master’s degrees, reflecting our deep and multidisciplinary talent pool spanning fields such as distributed computing, database engineering, AI infrastructure, and algorithm programming.

We are among the earlier companies in China to focus on the research and development of AI infrastructure software, an emerging field that underpins the growth of the broader AI ecosystem. Our self-developed AI and big data infrastructure platform and distributed analytical database have been leading the industry. In March 2018, TDH V5.1, our AI and big data infrastructure platform product, successfully passed the TPC-DS benchmark test conducted by the internationally renowned TPC, becoming the first audited data product globally to fully pass this benchmark test. In August 2019, ArgoDB V1.2.1 also passed the TPC-DS benchmark test, making it the fourth database product worldwide to achieve this certification. Further demonstrating its technological prowess, in August 2022, Sophon Discover V3.0.0, our AI and big data platform, became the first product to pass the TPCx-AI benchmark test at SF3,000, the largest scale tested by TPCx-AI at that time. Our AI and big data infrastructure platform, TDH V9.1, passed the TPCx-BB SF3,000 benchmark test, achieving the highest performance globally in December 2023 and retained the second highest performance position in 2024.

INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business. We currently hold many intellectual properties related to our core solutions, and we devote significant time and resources to their development and protection. We rely on a combination of patent, trademark, copyright, domain name, trade secret and other proprietary rights protection laws in China and other jurisdictions as well as confidentiality procedures and contractual provisions to protect our intellectual properties. During the Track Record Period, our core technologies were patented. Such patents are typically valid for 20 years.

As of the Latest Practicable Date, we had over 170 patents registered with the National Intellectual Property Administration of the PRC and over 100 pending patent applications in the PRC. Among the pending applications, Patent Application No. 2024119885725 — *Method, Apparatus, Electronic Device and Storage Medium for Cluster Resource Management* — is of particular significance, as it relates to our TDC 5.0 platform and enables unified management of workloads and namespaces across multiple clusters, thereby enhancing system flexibility and adaptability. Other pending patents primarily represent forward-looking research and are not expected to pose any material impediments to approval or to our ongoing operations. We also had over ten registered patent overseas spanning Europe, Singapore, Japan and Canada. As of the Latest Practicable Date, we had over 640 trademarks registered in the PRC, Hong Kong, Japan, Singapore, the United States, Canada, the European Union, the United Kingdom, Saudi Arabia, among others. As of the Latest Practicable Date, we had over 470 copyrights registered with the National Copyright Administration of the PRC. As of the Latest Practicable Date, we had 18 co-own or co-share arrangements of our patents and patent applications with third parties.

See “Business — Intellectual Property.”

OUR SUPPLIERS AND CUSTOMERS

Our suppliers primarily consist of (i) software providers, (ii) service providers, such as delivery service providers, and (iii) others, such as providers of servers and cloud services and providers of other professional services. Our top five suppliers in each year or period during the Track Record Period in aggregate accounted for 43.2%, 39.1% and 37.6% of our total purchases in 2023, 2024 and 2025, respectively. Our largest supplier in each year during the Track Record Period accounted for approximately 23.3%, 14.6% and 9.9% of our total purchases in 2023, 2024 and 2025, respectively.

See “Business — Suppliers and Procurement.”

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We have two main categories of customers: (i) direct customers, including (a) end users purchasing our products and solutions directly and (b) ISVs and SIs that embed our products and solutions into their offering to cater for end users’ specific needs, and (ii) our authorized distributors who enter into distribution agreements with us.

Certain end users of our products and solutions, especially those government end customers, use ISVs and SIs when selecting suppliers or service providers. This approach saves them from the trouble of directly negotiating with a large number of different suppliers or service providers and to benefit from the various other services provided by such ISVs and SIs. Such end users typically lay out the goals they plan to achieve and the budget for their projects and engage ISVs and SIs, instead of engaging us directly. These ISVs and SIs typically embed our products and solutions into their offering to cater for end users’ specific needs, and provide various other services to end users, such as implementation services. In 2023, 2024 and 2025, revenue generated from direct customers accounted for 94.0%, 93.7% and 97.5% of our total revenue, respectively. We typically grant a credit term ranging from 30 to 365 days for direct customers.

Additionally, we typically enter into one-year distribution agreement with third-party professional distributors. After purchasing the products from us, our distributor may at their discretion perform onward sales to their respective downstream customers. Our distributor customers are primarily engaged in distribution and sales of software products. In 2023, 2024 and 2025, revenue generated from such distributor customers accounted for 6.0%, 6.3% and 2.5% of our total revenue, respectively. We typically grant a credit term ranging from 30 to 365 days for distributor customers.

Our top five customers in each year during the Track Record Period in aggregate accounted for 16.4%, 14.4% and 22.2% of our total revenues in 2023, 2024 and 2025, respectively. Our largest customer in each year during the Track Record Period accounted for approximately 4.7%, 3.2% and 5.8% of our total revenue for the respective year or period.

See “Business — Customers and Customer Support.”

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors.” These risks can be broadly categorized into: (i) risks relating to our business and industry; (ii) risks relating to our financials, (iii) risks relating to our operations; (iv) risks relating to our intellectual property; (v) risks relating to general economic condition; (v) risks relating to our legal compliance; (vi) risks relating to doing business in China; and (v) risks relating to the [REDACTED]. You should read that section in its entirety carefully before you decide to [REDACTED] in our [REDACTED]. Some of the major risks we face include the following:

- AI technologies are constantly evolving. Any flaws or inappropriate usage of AI technologies, whether actual or perceived, whether intended or inadvertent, whether committed by us or by other third parties, could have negative impact on our business, reputation and the general acceptance of AI products, services and solutions by the society.
- The industries in which we operate are characterized by constant changes. If we fail to continuously innovate our technology and provide useful products and solutions that meet the expectations of our users, our business, financial condition and results of operations may be materially and adversely affected.
- Changes in the market or our products and solutions may affect our pricing models and adversely affect our operating results.
- We face competition from existing or new market players in the industries in which we operate, and we may not compete effectively.
- If the market for our products, services and solutions fails to grow as we expect, or if our users or potential users fail to adopt our products, services and solutions, our business, operating results, and financial condition could be adversely affected.

See “Risk Factors.”

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IMPACT OF U.S. TARIFFS, EXPORT CONTROLS AND SANCTIONS

Our Sanctions Counsels are of the view that based on the information provided by our Company, because the Company does not export its products to the U.S., the impact of U.S. tariffs on our business is limited.

As for the impact of U.S. export controls on our Company’s procurement activities, based on the information provided by our Company, our Sanctions Counsels are of the view that most U.S.-origin items purchased by our Company are classified under ECCNs 5A992.c, 5D992 or EAR99, which do not require a license when exported to China based on its due diligence on public available information and analysis under the U.S. Export Administration Regulations (“EAR”). The Company is not designated on any U.S. export controls restricted party lists, including the Entity List and Military End User List. Additionally, our Company’s suppliers have never informed it of any license requirements applicable to the purchased items. According to our Sanctions Counsels’ analysis, it is generally the exporter or transferor’s obligation under the EAR to inform the purchaser of any applicable license requirements for the items being purchased, therefore, it is legitimate and reasonable for the purchaser to rely on the exporter/transferor regarding the applicable license requirements and the purchaser will not be held liable for its good faith reliance. Based on these facts and due diligence and analysis, our Sanctions Counsels conclude that the risk associated with our Company’s purchase of U.S. origin items is relatively low.

Regarding risks associated with our Company’s business partners (including suppliers and customers), our Sanctions Counsels have conducted a screening and review of all suppliers and customers that each account for more than 0.1% of our Company’s overall transaction value during the Track Record Period. It is relatively unlikely that our Company had violated the EAR in its dealings with these restricted customers.

Nine of our Company’s customers are listed on the 1260H list and NS-CMIC Lists. Since neither of these lists restricts Chinese companies from providing products and services to the designated persons, our Company’s dealings with persons on the 1260H and NS-CMIC Lists do not violate U.S. sanctions law and do not expose our Company to any sanctions risks, whether primary or secondary.

Based on the analysis by our Sanctions Counsels mentioned above, we do not expect that the U.S. tariffs, export controls or sanctions measures will have a material adverse impact on our Company’s business operations or financial performance.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance. As of the Latest Practicable Date, we are in compliance with all applicable laws and regulations on algorithm and artificial intelligence-related in all material respects.

See “Business — Legal Proceedings and Compliance.”

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, our Single Largest Group of Shareholders, comprising Mr. SUN Yuanhao, Shanghai Zanxing, Mr. FAN Lei, Mr. LV Cheng and Mr. SHE Hui, acting in concert, collectively controlled approximately 22.42% of the total issued share capital of our Company. On January 25, 2019, Mr. SUN Yuanhao entered into an acting-in-concert agreement with Mr. LV Cheng, Mr. FAN Lei, Mr. SHE Hui and Shanghai Zanxing in order to consolidate the voting power at Board/Shareholders’ meetings of our Company. See “History, Development and Corporate Structure — Concert Party Arrangement” and “Relationship with our Single Largest Group of Shareholders” for details.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised, no additional Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), our Single Largest Group of Shareholders will control in aggregate approximately [REDACTED]% of the total issued share capital of our Company.

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SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from, and should be read in conjunction with our audited financial statements set forth in the Accountants’ Report in Appendix I, as well as the information set forth in “Financial Information.” Our financial information was prepared in accordance with IFRS.

Summary of Consolidated Statements of Profit and Loss

The following table sets forth a summary of our consolidated statements of profit and loss for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB'000, except for percentages)</i>		
Revenue	490,533	370,755	447,069
Cost of sales	(233,799)	(192,026)	(211,059)
Gross profit	256,734	178,729	236,010
Other income	34,213	28,120	36,455
Other gains and losses, net	26,336	14,880	7,947
Selling expenses	(235,123)	(203,961)	(159,788)
Administrative expenses	(128,675)	(118,589)	(114,213)
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Research and development expenses	(223,065)	(227,328)	(204,061)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	(16,783)	(13,192)	(43,668)
Finance costs	(2,805)	(2,940)	(2,224)
Share of results of associates	–	–	(944)
Loss before tax	(289,168)	(344,281)	(245,156)
Income tax expense	–	–	(14)
Loss for the year/period	(289,168)	(344,281)	(245,170)
Loss attributable to:			
Owners of the Company	(288,243)	(343,462)	(245,170)
Non-controlling interests	(925)	(819)	–
	<u>(289,168)</u>	<u>(344,281)</u>	<u>(245,170)</u>

Revenue by Business Line

The following table sets forth a breakdown of our revenue by business lines for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total
	<i>(RMB'000, except for percentages)</i>					
AI and Big data infrastructure software business						
Infrastructure software	132,424	27.0	57,864	15.6	54,009	12.1
Comprehensive software and services	184,266	37.5	145,222	39.2	211,548	47.3
Technical services	73,351	15.0	81,094	21.9	96,465	21.6
Sub-total	390,041	79.5	284,180	76.7	362,022	81.0
Solution business	79,091	16.1	72,759	19.6	69,559	15.6
Other business	21,401	4.4	13,816	3.7	15,488	3.4
Total	<u>490,533</u>	<u>100.0</u>	<u>370,755</u>	<u>100.0</u>	<u>447,069</u>	<u>100.0</u>

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Gross Profit and Gross Margin

The following table sets forth a breakdown of our gross profit and gross margin by business line for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	<i>(RMB'000, except for percentages)</i>					
AI and big data infrastructure software business						
Infrastructure software	120,448	91.0%	52,215	90.2%	47,527	88.0%
Comprehensive software and services	94,652	51.4%	68,630	47.3%	113,559	53.7%
Technical services	33,746	46.0%	46,336	57.1%	62,354	64.6%
Sub-total	248,846	63.8%	167,181	58.8%	223,440	61.7%
Solution business	<u>638</u>	0.80%	<u>6,609</u>	9.1%	<u>9,566</u>	13.8%
Other business	<u>7,250</u>	33.90%	<u>4,939</u>	35.7%	<u>3,004</u>	19.4%
Total	<u>256,734</u>	52.3%	<u>178,729</u>	48.2%	<u>236,010</u>	52.8%

See “Financial Information — Description of Selected Items from Consolidated Statements of Profit and Loss — Gross Profit and Gross Margin.”

Summary of Consolidated Balance Sheets

	As of December 31,			As of
	2023	2024	2025	January 31,
	<i>(RMB'000)</i>			2026
	<i>(RMB'000)</i>			<i>(unaudited)</i>
Current assets				
Trade and bills receivables	377,432	337,362	265,435	248,812
Prepayments and other receivables	15,765	24,603	40,219	45,894
Contract assets	35,737	39,462	48,107	47,252
Inventories	1,566	1,651	4,779	3,795
Contract costs	48,686	49,955	47,016	58,109
Financial assets at FVTPL	595,175	71,652	71,588	101,844
Bills receivables at fair value through other comprehensive income (“FVTOCI”)	—	—	11,684	11,684
Term deposits	131,916	70,148	30,357	30,302
Restricted bank deposits	6	6	8	8
Cash and cash equivalents	352,748	543,261	353,951	252,366
Total current assets	<u>1,559,031</u>	<u>1,138,100</u>	<u>873,144</u>	<u>800,066</u>
Total non-current assets	<u>233,833</u>	<u>258,159</u>	<u>304,904</u>	<u>330,693</u>
Current liabilities				
Trade, bills and other payables	185,663	142,276	177,235	166,062
Contract liabilities	38,450	62,574	57,270	65,465
Borrowings	55,546	40,027	30,036	10,329
Financial liabilities at FVTPL	—	—	44	—
Lease liabilities	14,899	17,206	15,295	14,218
Provisions	24,150	17,572	23,983	23,705
Total current liabilities	<u>318,708</u>	<u>279,655</u>	<u>303,863</u>	<u>279,779</u>

SUMMARY

	As of December 31,			As of January 31,
	2023	2024	2025	2026
	<i>(RMB'000)</i>			<i>(unaudited)</i>
Total non-current liabilities	34,322	22,163	11,673	11,407
Net assets	1,439,834	1,094,441	862,512	839,573
Net current assets	1,240,323	858,445	569,281	520,287
Non-controlling interests	(3,467)	(4,286)	-	-

Trade Receivables and Cashflow Timing Difference

Our trade receivables turnover days were relatively long during the Track Record Period primarily because many of our major customers, particularly large enterprise and government customers, adopt milestone-based procurement and acceptance procedures, and our revenue is typically concentrated in the fourth quarter, resulting in timing differences between billing, acceptance and settlement. Our payable cycle is shorter as a significant portion of our cost of sales consists of monthly payroll expenses. We have strengthened our cash collection and working capital management practices, including weekly monitoring, prompt invoicing and coordinated follow-ups, to improve cash-conversion efficiency. See “Financial Information — Discussion of Selected Items from Consolidated Statements of Financial Position — Trade and Bills Receivables.”

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our statements of cash flows for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB'000)</i>		
Operating cash flow before movements in working capital	(235,968)	(291,161)	(157,084)
Net cash used in operating activities	(365,432)	(326,593)	(109,650)
Net cash from (used in) investing activities	434,233	555,456	(53,707)
Net cash from (used in) financing activities	31,621	(37,716)	(24,207)
Net increase/(decrease) in cash and cash equivalents	100,422	191,147	(187,564)
Cash and cash equivalents at beginning of the year	252,109	352,748	543,261
Effect of foreign exchange rate changes	217	(634)	(1,746)
Cash and cash equivalents at the end of the year	<u>352,748</u>	<u>543,261</u>	<u>353,951</u>

We define our cash burn rate as the average monthly aggregate amount of (i) net cash used in operating activities, (ii) capital expenditures and (iii) lease payments. Our historical monthly average cash burn rate was RMB43.5 million, RMB32.2 million and RMB14.2 million in 2023, 2024 and 2025, respectively. We had cash and cash equivalents, current portion of term deposits, current portion of financial assets at FVTPL and unutilised banking facilities of RMB558.1 million in aggregate as of December 31, 2025. Noting the reduction in operating cash outflow for the year ended 2025 compared to the year ended 2024, we have, out of conservatism, assumed that our future average cash burn rate will be similar to that for the year ended December 31, 2025.

Based on this assumption, we estimate that our available cash resources, including [REDACTED] of the estimated net [REDACTED] from the [REDACTED], will be sufficient to support our operations for approximately [REDACTED] months from December 31, 2025. We estimate that our available cash resources would support approximately [REDACTED] months of operations if such [REDACTED] portion of the estimated net [REDACTED] were excluded, and approximately [REDACTED] months if [REDACTED] of the estimated net [REDACTED] were included. Our Directors and senior management will continue to closely monitor cash burn, working capital and business development needs to ensure that we maintain an adequate liquidity position.

SUMMARY

See “Financial Information — Liquidity and Capital Resources — Cash Flows” and “Financial Information — Working Capital Sufficiency.”

Summary of Key Financial Ratios

The following table sets forth certain of our key financial ratios as of and for the years indicated:

	As of December 31,		
	2023	2024	2025
Current ratio ⁽¹⁾	4.9	4.1	2.9

Note:

(1) Current ratio equals total current assets divided by total current liabilities of the same date.

Our current ratio decreased from 4.9 as of December 31, 2023 to 4.1 as of December 31, 2024, mainly due to a decrease in our current assets as a result of a decrease in Financial assets at FVTPL, partially offset by a decrease in our current liabilities. Our current ratio further decreased to 2.9 as of December 31, 2025, mainly due to (i) a significant decrease in our current assets primarily driven by a decrease in cash and cash equivalents of RMB189.3 million as a result of spendings on R&D expense, purchasing on PPE and intangible assets during the ordinary course of our business, (ii) a decrease in trade and bills receivables from RMB337.4 million as of December 31, 2024 to RMB265.4 million as of December 31, 2025 as a result of our enhanced collection efforts; and (iii) a slight increase in our current liabilities.

OUR A SHARE LISTING

Since October 2022, our Company has been listed on the STAR Market. As of the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with the rules of the STAR Market and other applicable securities laws and regulations of the PRC since our listing on the STAR Market, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors’ attention in relation to our compliance record on the STAR Market. As of the Latest Practicable Date, as advised by our PRC Legal Advisors, since the A Share Listing, our Company has been in compliance with all applicable securities laws and regulations of the PRC in all material respects. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisors’ view, nothing has come to the Sole Sponsor’s attention that would cause it to disagree with our Directors’ confirmation with regard to the compliance records of the Company on the STAR Market.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the [REDACTED] of, and [REDACTED] in issue and [REDACTED] pursuant to (i) the [REDACTED], and (ii) the exercise of the [REDACTED] on the basis that, among other things, we satisfy the requirements under Rule 18C.03 of the Listing Rules (as modified by the Joint Announcement of the SFC and the Stock Exchange in relation to Temporary Modification to Requirements for Specialist Technology Companies and De-SPAC Transaction dated August 23, 2024) as a Commercial Company with reference to our expected [REDACTED] at the time of [REDACTED], which, as set out in “— [REDACTED],” exceeds HK\$[REDACTED].

PATH TO PROFITABILITY

We recorded accumulated losses as of January 1, 2023, and incurred adjusted net losses and net operating cash outflows during the Track Record Period primarily because we continued to invest heavily in research and development, technical talent and market expansion to build our core AI and big data infrastructure capabilities. In addition, our revenue declined in 2024 compared to 2023 due to changes in customer procurement timing and project implementation cycles, and had not yet recovered to the 2023 level in 2025, which limited our ability to fully realize economies of scale during this period.

SUMMARY

We expect to incur a net loss for the year ending December 31, 2026 primarily because we will continue to invest in research and development, sales and market expansion and have yet to fully realize operating leverage, despite the resumption of revenue growth. We will continue to focus on improving sales efficiency, enhancing customer conversion and expanding wallet share among existing customers, while maintaining disciplined cost control.

We have formulated a clear and actionable strategy to achieve sustainable profitability by capitalizing on favorable market trends, driving revenue growth through targeted customer and market expansion, exercising disciplined cost management and progressively narrowing our net loss. See “Business – Path to Profitability.”

RECENT DEVELOPMENTS

No Material Adverse Change

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial, operational or trading position since December 31, 2025 (being the date on which our latest consolidated financial information was prepared), and there has been no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants’ Report in Appendix I.

[REDACTED] STATISTICS

	<u>Based on the maximum [REDACTED] of HK\$[REDACTED]</u>
[REDACTED] of our H Shares immediately after the [REDACTED] ⁽¹⁾	HK\$[REDACTED]
[REDACTED] of our Shares immediately after the [REDACTED] ⁽²⁾ ..	HK\$[REDACTED]
Unaudited [REDACTED] adjusted net consolidated tangible assets per Share ⁽³⁾	HK\$[REDACTED]

Notes:

- (1) The calculation of [REDACTED] of our H Shares is based on [REDACTED] H Shares expected to be issued pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised).
- (2) The calculation of [REDACTED] of our Shares is based on the assumption that [REDACTED] H Shares expected to be issued pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised) and [REDACTED] A Shares are in issue immediately after completion of the [REDACTED] (assuming that no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED]) with an average closing price of our Company for the five trading days immediately preceding the Latest Practicable Date at RMB[218.83] (or approximately HK\$[248.46]) per A Share.
- (3) See “Appendix II — Unaudited [REDACTED] Financial Information” for details regarding the assumptions used and the calculation method.

DIVIDENDS

Under our Articles of Association, we may distribute profits in the form of cash and/or share dividends, subject to applicable laws, our profitability, cash flow position and future business development needs. We will generally distribute cash dividends once a year, provided that our accumulated undistributed profits and distributable profits for the year are positive and our cash flow can support normal operations and sustainable growth. In principle, the total cash dividends distributed in the most recent three years will not be less than 30% of the average annual distributable profit for such period. The proportion of cash dividends will be determined with reference to our development stage and capital expenditure plans, and will not be less than 80% if we are in a mature stage without major capital expenditure plans, 40% if we are in a mature stage with major capital expenditure plans, and 20% if we are in a growth stage with major capital expenditure plans. During the Track Record Period, we did not declare or pay any dividends, as we did not have sufficient distributable reserves.

See “Financial Information — Dividends.”

SUMMARY

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the maximum [REDACTED]), after deducting the [REDACTED] and estimated expenses paid or payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised.

In line with our strategies, we intend to apply the net [REDACTED] from the [REDACTED] for the following purposes and in the amounts set forth below:

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be allocated to enhance and optimize our R&D and innovation capabilities of our entire product and solution stack to drive full-chain technology upgrades through “AI × Data;”
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be allocated for upgrading and expanding our product and solution stack;
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be allocated to strengthen our sales channels and team building in key markets;
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be allocated for improving our commercialization capability and brand influence;
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be allocated for making strategic investments; and
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be allocated for working capital and other general corporate purposes.

See “Future Plans and Use of [REDACTED].”

[REDACTED] EXPENSES

[REDACTED] expenses consist of professional fees, [REDACTED], and other fees incurred in connection with the [REDACTED]. As of December 31, 2025, we incurred RMB[REDACTED] (HK\$[REDACTED]) in [REDACTED] expenses, in which amount of RMB[REDACTED] (HK\$[REDACTED]) were recognized in the profit or loss and amount of RMB[REDACTED] (HK\$[REDACTED]) will be deducted from equity upon [REDACTED].

We expect to incur additional [REDACTED] expenses of approximately RMB[REDACTED] (HK\$[REDACTED]) (based on the high-point of the maximum [REDACTED] and assuming the [REDACTED] is not exercised). We estimate the additional [REDACTED] expenses to consist of approximately RMB[REDACTED] (HK\$[REDACTED]) in [REDACTED], including [REDACTED] and [REDACTED] and RMB[REDACTED] (HK\$[REDACTED]) in [REDACTED] (which consist of fees and expenses of legal advisors and our Reporting Accountant of approximately RMB[REDACTED] (HK\$[REDACTED])) and other fees and expenses of approximately RMB[REDACTED] (HK\$[REDACTED]). Among the [REDACTED] expenses to be incurred, approximately RMB[REDACTED] (HK\$[REDACTED]) will be directly attributable to the issue of our Share, which will be deducted from equity upon the completion of the [REDACTED], and the remaining RMB[REDACTED] (HK\$[REDACTED]) will be expensed in our consolidated statements of comprehensive income. Our Directors do not expect such expenses to materially impact our results of operations in 2026.